

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

SB 753 - HB 1317

March 22, 2023

SUMMARY OF BILL AS AMENDED (006490): Expands the membership of the Board of Pharmacy (Board) from seven members to nine members, to be appointed by the Governor. Makes changes to the qualifications for membership on the Board and the initial terms of board members. Establishes that the six pharmacist members serving on the board on June 30, 2023 will continue to serve through the end of the members' existing terms, if such members meet the qualifications established in the proposed legislation. Authorizes the Executive Director of the Board to employ persons deemed necessary to properly conduct inspections.. Authorizes the Board to issue advisory private letter rulings to licensees who request a ruling regarding matters within the board's jurisdiction. Changes the termination date of the Board from June 30, 2027, to June 30, 2025.

FISCAL IMPACT OF BILL AS AMENDED:

**Increase State Expenditures - \$3,100/FY23-24 and Subsequent Years/
Board of Pharmacy**

Other Fiscal Impact – To the extent the Executive Director of the Board of Pharmacy chooses to hire employees to conduct inspections, there will be additional expenditures incurred by the Board.

Pursuant to Tenn. Code Ann. § 4-29-121, all health-related boards are required to be self-supporting over a two-year period. The Board of Pharmacy had a surplus of \$198,441 in FY20-21, a surplus of \$404,000 in FY21-22, and a cumulative reserve balance of \$3,693,158 on June 30, 2022.

Assumptions for the bill as amended:

- The proposed legislation will add two additional members to the Board.
- Pursuant to Tenn. Code Ann. § 63-10-301(b), board members are entitled to a per diem of \$100 per meeting of the board, as well as reimbursement for travel expenses. The Board meets six times per year.
- It is estimated each board member will receive mileage reimbursement of \$160 (\$0.63 per mile x 254 miles) to attend each meeting. The total cost per board member per meeting is estimated to be \$260 (\$160 mileage + \$100 per diem).
- The recurring increase in state expenditures is estimated to be \$3,120 (\$260 x 2 members x 6 meetings) in FY23-24 and subsequent years.

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- It is unknown whether the Executive Director would choose to employ persons to conduct inspections, and whether such employment would be contracted or full-time. To the extent the Executive Director chooses to employ such individuals, there will be additional expenditures incurred by the Board.
- Pursuant to Tenn. Code Ann. § 4-29-121, all health-related boards are required to be self-supporting over a two-year period. The Board of Pharmacy had a surplus of \$198,441 in FY20-21, a surplus of \$404,000 in FY21-22, and a cumulative reserve balance of \$3,693,158 on June 30, 2022.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Krista Lee Carsner". The signature is written in a cursive, flowing style.

Krista Lee Carsner, Executive Director

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